

FISCAL NOTE

HB 2283 - SB 2266

March 25, 2005

SUMMARY OF BILL: Authorizes the Commissioner of Commerce and Insurance to promulgate by rule a convenience fee to cover the costs of issuing or renewing licenses, registrations and permits via the Internet.

ESTIMATED FISCAL IMPACT:

Increase State Revenues –

Exceeds \$500,000 Recurring/When Fully Implemented

Increase State Expenditures –

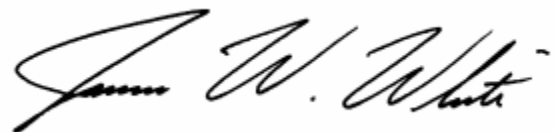
Exceeds \$500,000 Recurring/When Fully Implemented

Assumptions:

- An increase in state revenues from the collection of fees to apply or renew through the internet.
- An increase in state expenditures to pay contract vendors for internet transactions.
- The current fee charged by the State's internet portal vender in \$3.50 per internet transaction.
- Credit card companies charge an average of 1.5% of the fee amount for each transaction.
- The Department of Commerce and Insurance currently has a total of approximately 396,000 licensees, registrants and permit holders paying a fee of \$30 to over a \$1,000 depending on the program.
- Licensees, registrants and permit holders are on an annual, biennial or triennial renewal period depending on the program.
- Approximately 190,000 licenses, registrations and permits are issued or renewed each year and approximately 75% will choose to apply or renew through the internet.
- The fees charged to persons using the internet to apply or renew will be set in an amount to offset the costs the Department must pay to contract vendors.
- Department policy is to eventually have the issuance and renewal of licenses, registrations and permits via the internet as an available option for every program. It is unknown when the Department will have the internet application and renewal program fully implemented.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director